

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

BP AMERICA INC., et al. : CIVIL ACTION
:
v. :
:
DIWAN PETROL INC. : NO. 21-2437

MEMORANDUM

Bartle, J.

November 5, 2021

Plaintiffs BP America Inc. and BP Products North America Inc. bring this action against defendant Diwan Petrol Inc. for injunctive and declaratory relief under federal trademark law for unauthorized use of plaintiffs' name and marks at defendant's gasoline service station. Specifically, plaintiffs allege trademark infringement in violation of 15 U.S.C. § 1114 and state common law, unfair competition in violation of 15 U.S.C. § 1125(a) and state common law, and dilution in violation of 15 U.S.C. 1125(c) and 54 Pa. Cons. Stat. § 1124.

Plaintiffs filed suit on May 27, 2021 and served defendant with the complaint on June 1, 2021. Defendant failed to enter an appearance or answer the complaint. The Clerk of Court entered default against defendant on July 7, 2021. This court granted plaintiffs' motion for default judgment for

injunctive and declaratory relief against defendant on August 31, 2021.

Before the court is the motion of plaintiffs for certification of attorney fees and costs pursuant to Rule 54(d) of the Federal Rules of Civil Procedure.

I

The court accepts as true the allegations in plaintiffs' complaint. Plaintiffs are a subsidiary of a global gasoline corporation with marks registered with the United States Patent and Trademark Office. These marks include a green and yellow Helios design both with and without the BP name, the word AMOCO with an accompanying design, and the word Invigorate with an accompanying design. Plaintiffs had a contract that authorized defendant to use plaintiffs' name and marks at defendant's gasoline service station in Bensalem, Pennsylvania. That contract terminated on February 29, 2020. Defendant is no longer authorized to use plaintiffs' name and marks.

Despite plaintiffs' multiple attempts to address this unauthorized use and resolve it amicably, defendant knowingly continues to use plaintiffs' name and marks without permission and outwardly associates its business with plaintiffs.

II

A plaintiff is entitled to "the costs of the action" when a trademark violation has been established in a civil

action as long as the defendant had actual notice of the trademark registration and the use of the registered mark is intended to cause confusion, mistake, or deception. See 15 U.S.C. § 1117(a); see also 15 U.S.C. § 1111; 15 U.S.C. § 1114(1).

Plaintiffs seek \$632 in costs for this action. This includes the costs incurred in filing the complaint, two pro hac vice requests, and the motion for default judgment, and the process server fees for serving the complaint and motion for default judgment.

Plaintiffs have established a violation of 15 U.S.C. § 1125(a) and (c). Defendant had actual notice that plaintiffs' name and marks were registered. Defendant's continued use of this name and marks causes confusion and mistake to customers that defendant is associated with BP. The court will award plaintiffs the costs of this action for a total of \$632 in accordance with 15 U.S.C. § 1117(a).

III

Attorney fees are permitted to the prevailing party in "exceptional cases" for violations of 15 U.S.C. § 1125(a) or (d) or willful violations of § 1125(c) as established in a civil action. 15 U.S.C. § 1117(a). Default judgment has been entered against defendant for, in part, trademark infringement in violation of § 1125(a) and (c).

The Supreme Court has defined for purposes of attorney fees under the Patent Act, 35 U.S.C. § 285, an "exceptional" case as "one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated."
Octane Fitness, LLC v. ICON Health & Fitness, Inc., 572 U.S. 545, 554 (2014).

Our Court of Appeals adopted this definition for "exceptional" in the context of awarding attorney fees under the Lanham Act, 15 U.S.C. §§ 1051 et seq., for trademark violation.
Fair Wind Sailing, Inc. v. Dempster, 764 F.3d 303, 315 (3d Cir. 2014). It held that cases are "exceptional" when "(a) there is an unusual discrepancy in the merits of the positions taken by the parties or (b) the losing party has litigated the case in an 'unreasonable manner.'" The district court should exercise its discretion and determine whether a case is exceptional to merit attorney fees on a case-by-case basis considering the totality of the circumstances. Id.

Culpability, while not a prerequisite for finding a case exceptional, may factor into the court's analysis. Id. Culpable conduct in this circuit has included "bad faith, fraud, malice, or knowing infringement." Securacomm Consulting, Inc. v. Securacom Inc., 224 F.3d 273, 280 (3d Cir. 2000).

Defendant exhibited bad faith and knowing infringement when it continued to use plaintiffs' name and marks after its contract with plaintiffs terminated and after multiple notices by plaintiffs of the unauthorized use of their name and marks. Despite the filing of this action against defendant in May 2021, defendant continued to use plaintiffs' name and marks as of August 26, 2021. In addition, defendant has failed to enter an appearance and answer the complaint and has thus conceded its wrongful conduct.

Plaintiffs' claim is straightforward. They authorized defendant to use their name and marks pursuant to a contract and that contract was terminated in February 2020. Defendant's knowing continued use of the name and marks without permission is a violation of trademark laws. Plaintiffs' clear substantive strength as to its claim as well as defendant's culpable conduct renders this an exceptional case that warrants an award of attorney fees to plaintiffs as the prevailing parties.

A request for attorney fees must also be reasonable. 15 U.S.C. § 1117(a). Plaintiffs seek \$8,878 in attorney fees. This includes 22.9 hours of work by an associate with three years of experience at a rate of \$380 per hour. Counsel for plaintiffs certifies that this work includes conducting legal research and drafting the complaint, motion for default judgment, memorandum in support of default judgment, and

proposed order. Plaintiffs also seek \$176 for one hour of work by a paralegal for filing these documents.

The court finds plaintiffs' request for attorney fees reasonable and will enter an order accordingly for defendant to pay a total of \$8,878 in attorney fees to plaintiffs.